

## **BILL ANALYSIS**

C.S.H.B. 1806  
By: Bolton  
Business & Industry  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Renter's insurance is easily obtainable and affordable and can protect tenants in the case of fire, catastrophe, or theft. Yet, many renters do not obtain renter's insurance, do not know where or how to obtain it, or are unaware of its existence altogether.

C.S.H.B. 1806 requires a landlord or the landlord's agent to furnish a tenant with a notice about the purpose and availability of renter's insurance. The bill sets forth language for the notice and authorizes the notice to be contained either in the lease or printed in a separate document signed by the landlord or landlord's agent and the tenant.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1806 amends the Property Code to require a landlord or a landlord's agent to give written notice, substantially equivalent to the language provided in the bill, regarding the purpose of renter's insurance before entering into a lease with a tenant. The bill requires the notice also to include information on obtaining renter's insurance or to include or attach contact information for a resource for information on obtaining renter's insurance. The bill authorizes the notice to be printed in the lease or in a separate document signed by the landlord or the landlord's agent and the tenant. The bill makes its provisions inapplicable to the renewal of a lease.

### **EFFECTIVE DATE**

January 1, 2010.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1806 differs from the original by requiring language in the notice to be substantially equivalent to the language provided in the bill, rather than prescribing the exact language of the notice as in the original. The substitute removes provisions in the original indicating in the notice that renter's insurance may be purchased through a licensed property and casualty insurance agent and that a renter, if eligible, can purchase flood insurance for personal property through the Federal Emergency Management Agency through a licensed property and casualty insurance agent. The substitute differs from the original by requiring the notice to include information on obtaining renter's insurance or to include contact information for a resource for such information, rather than specifying that the notice refer the tenant to the Texas Department of Insurance for such information.

C.S.H.B. 1806 differs from the original by making its provisions effective January 1, 2010, whereas the original effective date is September 1, 2009.